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In reply, please refer to:  
File:

**Testimony in SUPPORT of HB2453  
RELATING TO WATER INFRASTRUCTURE**

REPRESENTATIVE LINDA ICHIYAMA, CHAIR  
HOUSE COMMITTEE ON WATER & LAND

REPRESENTATIVE NICOLE E. LOWEN, CHAIR  
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Hearing Date: 2/6/2024

Room Number: 325

1 **Fiscal Implications:** None

2 **Department Testimony:** The Department of Health (Department) strongly supports the  
3 measure that would enable the transfer of funds between the Drinking Water Treatment Revolving  
4 Loan Fund (also known as the Drinking Water State Revolving Fund [DWSRF]) and the Water  
5 Pollution Control Revolving Fund (also known as the Clean Water State Revolving Fund  
6 [CWSRF]).

7 The Department currently administers these two (2) low interest loan programs for the  
8 improvement of public drinking water systems and wastewater treatment and distribution systems in  
9 Hawaii. These loan programs are funded principally by capitalization grants provided by the U.S.  
10 Environmental Protection Agency (EPA). Previously, these grants provided approximately \$8  
11 million per year to each program. From federal fiscal year 2022 to 2026, the Bipartisan  
12 Infrastructure Law capitalization grants will provide the largest capitalization grants into both  
13 programs since their establishment. At the present time, these grants provide approximately  
14 \$66 million per year to the DWSRF program and \$25 million per year to the CWSRF program.  
15 This measure, which gives the Department the authority to transfer up to 33% of any year's grant  
16 between the two programs, would allow the Department to direct loan monies more efficiently  
17 towards the drinking water or wastewater infrastructure needs across the State, resulting in the  
18 greatest benefit to public health or environmental protection.

1           This measure will help ensure the continued and consistent award of these two (2) annual  
2 capitalization grants. The EPA oversees the State's implementation of the DWSRF and the CWSRF  
3 programs and can withhold or delay future capitalization grants whenever a program is struggling to  
4 expeditiously disburse their funds. The ability to move funds between programs and direct them  
5 towards projects that are ready to proceed will help facilitate timely disbursements.

6           This measure would also bring the state program in line with the Code of Federal  
7 Regulations which already allows this transfer authority.

8 **Offered Amendments:** None

9           Thank you for the opportunity to testify.



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HOUSE COMMITTEES ON WATER & LAND AND ENERGY & ENVIRONMENTAL PROTECTION  
Tuesday, February 6, 2024 — 9:05 a.m.

**Ulupono Initiative supports HB 2453, Relating to Water Infrastructure.**

Dear Chair Ichiyama, Chair Lowen, and Members of the Committees:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy, clean transportation choices, and better management of freshwater resources.

**Ulupono supports HB 2453**, which authorizes the Department of Health (DOH) to transfer federal capitalization grant funds between the Water Pollution Control Revolving Fund (CWSRF) and the Drinking Water Treatment Revolving Fund (DWSRF), in accordance with title 40 Code of Federal Regulations section 35.3530.

The DOH currently administers these two low-interest loan programs for the improvement of public drinking water systems and wastewater treatment and distribution systems in Hawai'i. These loan programs are funded principally by capitalization grants provided by the U.S. Environmental Protection Agency.

SB 3142 does not require any state funding. Rather, it provides DOH the authority to transfer up to 33% of any year's capitalization grants between the CWSRF and the DWSRF, allowing DOH to direct loan monies more efficiently towards the drinking water or wastewater infrastructure, according to community needs across the State. This provides DOH with another tool to respond to a crisis, such as the Red Hill fuel spill or the Maui fires.

This measure would also bring the state program in line with the Code of Federal Regulations, which already allows this transfer authority.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*

**HB-2453**

Submitted on: 1/31/2024 7:11:00 PM

Testimony for WAL on 2/6/2024 9:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Justin Silva	Individual	Oppose	Written Testimony Only

Comments:

Authorizes the department of health to transfer federal capitalization grant funds between the Water Pollution Control Revolving Fund and the Drinking Water Treatment Revolving Loan Fund